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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

Arizona Corporation Commission

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DOUG LITTLE – Interim Chairman
BOB STUMP
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VACANT

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
CHAPARRAL WATER PROPERTIES, INC. DBA
CHAPARRAL WATER COMPANY FOR A RATE
INCREASE.

DOCKET NO. W-02393A-15-0349

PROCEDURAL ORDER

BY THE COMMISSION:

On October 9, 2015, Chaparral Water Properties, Inc. d/b/a Chaparral Water Company (“Chaparral” or “Company”) filed an application with the Arizona Corporation Commission (“Commission”) for a rate increase.

On November 9, 2015, the Commission’s Utilities Division (“Staff”) docketed its Letter of Sufficiency stating that the Company’s application met the requirements of Arizona Administrative Code (“A.A.C.”) R14-2-103, and classifying Los Cerros as a Class E Utility.

On January 8, 2016, Staff Docketed its Staff Report.

The Company docketed its Comments to Staff Report on January 19, 2016, objecting to certain of Staff’s conclusions.

Upon review of the Staff Report and of Chaparral’s Comments, certain discrepancies and errors must be resolved.

IT IS THEREFORE ORDERED that Staff shall file an **updated Staff Report no later than February 19, 2016**, addressing the following points:

- Staff’s Original Cost Rate Base (Schedule TDP, page 1 of 3) shows Rate Base as \$133,002. However, the net balance of the rate base components is \$120,346 (\$130,845, Net Plant - \$11,558 Total Advance + 1/24 Power), a difference of \$12,656. Explain the discrepancy.

- 1 • Staff's Plant Adjustment (Schedule TDP, page 2 of 3, line 26) shows the Accumulated
2 Depreciation balance as \$332,735. However, the sum of the accumulated depreciation
3 for the individual accounts equals \$328,855, a difference of \$3,930. Explain the
4 discrepancy.
- 5 • Staff's Plant Adjustment (Schedule TDP, page 2 of 3, line 26) shows Account No. 344,
6 Laboratory Equipment in the amount of \$6,550. However, Staff's Rate Base
7 Adjustment – Accumulated Depreciation (Schedule TDP-2, page 3 of 3) does not show
8 Account No. 344. Provide the accumulated depreciation balance at the end of the test
9 year for Laboratory Equipment.
- 10 • Staff's Operating Income Adjustment No. 3 – Depreciation Expense (Schedule TDP-3,
11 Page 3 of 4) shows Depreciation Expense of \$11,998. However, the sum of the
12 depreciation expense for the individual accounts equals \$11,343, a difference of \$655.
13 Explain the discrepancy.
- 14 • Staff's Operating Income Adjustment No. 3 – Depreciation Expense (Schedule TDP-3,
15 Page 3 of 4) does not show Account No. 344, Laboratory Equipment. Provide the test
16 year amount of depreciation expense for Laboratory Equipment.

17 IT IS FURTHER ORDERED that Staff shall provide a complete set of schedules, including a
18 cash flow analysis, with the revisions/corrections.

19 IT IS FURTHER ORDERED that **Chaparral shall file its comments to the updated Staff**
20 **Report no later than March 11, 2016.**


21 IT IS FURTHER ORDERED the **time clock in this matter shall be extended to April 22,**
22 **2016.**

23 IT IS FURTHER ORDERED that the *Ex Parte* Rule (A.A.C. R14-3-113 - Unauthorized
24 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
25 in this matter is final and non-appealable.

26 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules of
27 the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro hac*
28 *vice*.

1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or
2 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
3 hearing.

4 DATED this 29th day of January, 2016.

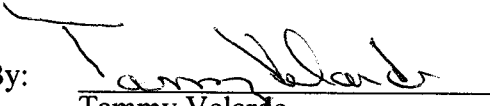
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6 
7 BELINDA A. MARTIN
ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed
9 this 29th day of January, 2016, to:

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